



**Environmental Services Division**  
Energy and Waste Management Bureau

For Immediate Release

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**OIL, GASOLINE PRICES DECLINE**

**DES MOINES** — Gasoline prices have retreated from their record levels. On May 15, the average price for a gallon of self-serve, regular unleaded gasoline in Iowa was \$2.03. This was \$0.15 lower than last month, but still \$0.07 higher than this time last year (\$1.96 per gallon). Prices were driven lower by falling crude oil prices and increasing gasoline inventories, which eased trader fears over potential supply shortfalls.

The lower gasoline and crude oil prices prompted the U.S. Department of Energy's Energy Information Administration (EIA) to lower their forecast for regular, unleaded gasoline prices by \$0.11 to an average of \$2.17 per gallon for the summer (April through September).

"Although prices have been dropping, Iowans should still be prepared for price volatility throughout the summer," said Jennifer Moehlmann, energy data analyst for the DNR.

The average price for regular unleaded gasoline blended with ethanol was \$1.98 per gallon. The latest data shows that ethanol-blended gasoline represented 72 percent of all retail gasoline sold in March. All auto manufacturers warrant the E10 blend of 10 percent alcohol and 90 percent gasoline for use.

Diesel prices dropped as well, with the average price of self-serve diesel on May 15 at \$2.17, down \$0.11 from last month, but still \$0.42 higher than this time last year (\$1.75 per gallon). EIA also revised its forecast for U.S. diesel prices downward by \$0.15 to an average of \$2.09 per gallon through the summer.

Crude oil prices have dropped below \$50 per barrel. Crude oil closed at \$48.61 on Monday, May 16. One year ago, crude was \$41.53 per barrel. Although prices have fallen due to robust crude oil inventory levels, they remain at relatively high levels due to sustained overall growth in global oil demand.

To help consumers improve fuel efficiency, the Iowa DNR has placed tips and information on fuel savings and alternative fuels on its Web site at [www.iowadnr.com](http://www.iowadnr.com). Tips include driving more efficiently, keeping vehicles tuned up and planning and combining trips. Consumers can also choose ethanol at the pump, purchase E85 for flexible fuel vehicles and choose biodiesel blends for diesel vehicles.

"E10 and E85 sales continue to set records," said Tami Foster, alternative fuels planner for the DNR. "In just the first four months of this year, E85 sales have soared, with retailers reporting nearly 115,000 gallons sold. Last year at this time, 37,000 gallons had been sold."

According to Foster, a total of 140,000 gallons of E85 were sold at retail stations across the state in 2004.

E10 sales for the first three months of 2005 were 272 million gallons compared to 237 million gallons sold during the same time period last year.

The DNR's May 16 fuel price survey reported the average retail price of No. 2 heating oil was \$1.80 per gallon, \$0.10 below last month and 34 percent above last year's price at this time (\$1.34 per gallon).

According to the survey, the average retail price of propane was \$1.24 per gallon, \$0.02 less than the previous month and 22 percent above the retail price of propane at this time last year (\$1.02 per gallon).

On May 16, natural gas was trading at \$6.45/MMBtu, \$0.56 lower than last month and 1 percent above the price of natural gas at this time last year (\$6.41/MMBtu).

Although warmer weather has arrived, consumers shouldn't forget about high heating prices. Next year's prices are likely to be higher than this year, so consumers should take advantage of the spring and summer to make improvements to their homes' efficiency in anticipation of those increased heating costs. Tips for saving energy and money at home and on the road are available at [www.EnergySavingTips.gov](http://www.EnergySavingTips.gov).

#### MOTOR FUELS SURVEY STATE AVERAGES

<b>Self-Serve</b>	<b>April 15</b>	<b>May 15</b>	<b>Change</b>
Regular Unleaded	2.18	2.03	-0.15
Regular Unleaded with Ethanol	2.13	1.98	-0.15
Premium Unleaded	2.23	2.10	-0.13
Diesel	2.28	2.17	-0.11

Source: Oil Price Information Service, [www.opisnet.com](http://www.opisnet.com)

#### AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	<b>April 15</b>	<b>May 15</b>	<b>Change</b>
Ames	2.17	2.01	-0.16
Cedar Rapids	2.23	2.00	-0.23
Council Bluffs	2.14	1.95	-.019
Davenport	2.17	2.04	-0.13
Des Moines	2.15	2.02	-0.13
Dubuque	2.13	2.01	-0.12
Fort Dodge	2.20	1.98	-0.22
Iowa City	2.26	2.01	-0.25
Sioux City	2.18	2.06	-0.12
Waterloo	2.12	2.00	-0.12
Webster City	2.25	2.10	-0.15
Average Metro Price	2.18	2.03	-0.15

Source: Oil Price Information Service, [www.opisnet.com](http://www.opisnet.com)

#### WHOLESALE PRICES IN METROPOLITAN AREAS IN IOWA

<b>Unleaded Gasoline</b>	<b>April 7</b>	<b>May 5</b>	<b>Change</b>
Des Moines	1.75	1.61	-0.14
Dubuque	1.75	1.61	-0.14
<b>Diesel Fuel</b>	<b>April 7</b>	<b>May 5</b>	<b>Change</b>
Des Moines	1.78	1.59	-0.19
Dubuque	1.78	1.60	-0.18

Source: Oil Price Information Service, [www.opisnet.com](http://www.opisnet.com)

## HEATING FUELS SURVEY

	<b>April 15</b>	<b>May 16</b>	<b>Change</b>
Natural Gas	7.01	6.45	-0.56
Propane	1.26	1.24	-0.02
#2 Heating Oil	1.90	1.80	-0.10

Sources: Wall Street Journal, Iowa Department of Natural Resources